



November 2002

# Missouri News

## Missouri Farm Service Agency

Parkade Center, Suite 225  
601 Business Loop 70 W  
Columbia, MO 65203

### Hours

Monday - Friday  
8:00 a.m. - 4:30 p.m.

### State Committee

Don Fischer, Chairman  
Fred Ferrell  
Julie Hurst  
Craig Westfall  
Barbara Wilson

### Staff

Patty Dick, Administration  
Dan Gieseke, Farm Loans  
Bo Wendleton,  
Compliance  
Gerald Hrdina,  
Conservation  
Don Engelbrecht, Price  
Support  
Max Sell, Production  
Flexibility

## 2001 Loan Deficiency Payment Deadlines

Under the 2002 Farm Bill, eligibility for loan deficiency payments was extended commodities produced on farms that were not enrolled in 2001 Production Flexibility Contract and beneficial interest rules were waived. The deadline for applying for LDPs for 2001 grain and rice crops is Nov. 12, and the deadline for applying for 2001 upland cotton crops is Nov. 18.

The LDP deadlines of Nov. 12 and Nov. 18 were established because they came 30 after publication of implementing regulations in the Federal Register for rice and grains (Oct. 11, 2002) and upland cotton (Oct. 18, 2002), respectively

Producers who think they might be eligible for 2001-crop LDPs may have to meet other requirements. For details, please contact the county office before the deadline dates.



## Livestock Compensation Program

Sign up continues for the Livestock Compensation Program, and we have clarified the definition of a "livestock headquarters operations."

The LCP provides assistance to livestock owners and lessors in counties that have been named by the secretary of agriculture after Jan. 1, 2001, as a primary disaster county because of drought. Questions have arisen

concerning whether the owner or the livestock had to be located in the disaster county. Here is the clarification. A livestock headquarters operation, or operation, is the normal physical location of any of the following for eligible livestock:

- storage site of feed supplies that provides immediate access for winter feeding or for nongrazing eligible livestock
- building, yards and corrals used for housing, feeding, loading, unloading or holding livestock
- confinement building that house eligible livestock

If none of those conditions apply, the operation will be considered the physical location where the eligible livestock are normally located for the majority of a calendar year.

The livestock owner is not required to live at the livestock headquarters operation. If an owner's mailing address is different than the operation's, it will not be used to determine eligibility. However, if an owner's address is a location in an approved county, and the owner's operation is not physically located in an approved county, the owner is ineligible.

If you continue to have questions about the Livestock Compensation Program, please stop by the county office.

## Reasonable Accommodation

Our goal in all our county offices is to provide everyone with the highest quality service possible. Toward that end, special accommodations will be made, upon request, for individuals with disabilities, vision or

hearing impairments. Please contact the county executive director of your county if you need any special accommodations in order to attend a meeting or participate in a program.

### ***Farm Storage Facility Loan***

If you're running short of bin space to farm store your grain, you might give some consideration to our Farm Storage Facility Loan program. Funds are currently available to build or remodel farm storage facilities for a variety of commodities, including wheat, rice, soybeans and corn. And, the current low interest rate of 3.375 percent makes the idea more attractive.



The loans are written for a maximum of 7 years, and cover the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment or remodeling existing facilities. Eligible facilities include new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

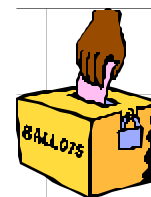
Landowners, operators, tenants and sharecroppers are eligible for the loan program as long as they meet program guidelines. The chief criterion is a satisfactory credit history and the ability to repay the loan. You must also produce the commodity to be stored and show a need for increased storage capacity.

All farm storage facility loans are secured by a promissory note and security agreement. For loans over \$50,000 or if the aggregate outstanding loan balance exceeds \$50,000, a lien on the real estate where the storage bin is located will be required.

The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each

borrower. A minimum down payment is also required.

For more information, stop by the county office or go online and download the newly revised Farm Storage Facility Loan Program fact sheet at [www.fsa.usda.gov/pas/publications/facts/html/farmstorfac02.htm](http://www.fsa.usda.gov/pas/publications/facts/html/farmstorfac02.htm).



### ***County Committee Election***

The slate of candidates running for a position on your county committee is set, and you should to receive your ballot in the mail shortly. (Only credit card companies and magazine sweepstakes send you more mail than we do.) When your ballot arrives, open it right away and give some serious thought to the candidates.

In this election, you will be voting for a person to represent your interests on the county committee for the next three years. The committee is an important part of the day-to-day operation of the county office. Members help run farm programs and make them fit the needs of local producers.

If you have not received your ballot by Nov. 25, contact your county Farm Service Agency office. Ballots must be returned to the county office or postmarked by Dec. 2.

### ***Crop Insurance Not Required***

Under the 2002 Farm Bill, producers are no longer required to carry crop insurance in order to be eligible for marketing assistance loans and LDPs. The change is effective beginning with the 2002 crop year.

While producers are no longer required to carry at least the catastrophic level of insurance, they can still choose to do so.



## **Honey Loans and LDPs**

Apiarists -- you know who you are -- take note. The 2002 Farm Bill provides for nonrecourse marketing assistance loans and loan deficiency payments to producers of 2002 through 2007 crop honey. As a producer, you may request a honey loan or an LDP, but not both on the same honey. All loans are for nine months. Honey under loan must be segregated from non-loan collateral.

To be eligible, you must produce honey in the United States in the calendar year you're applying for the loan. The honey must be extracted on or before Dec. 31 of the crop year. You must have a continuous beneficial interest in the honey from the time it's extracted until the loan is repaid. You must also be responsible for the financial risk of keeping the bees and producing the honey.

To be eligible, the honey must be produced by an eligible producer in the United States in the applicable calendar year. It has to be of merchantable quality and stored in acceptable containers.

For additional information contact the county office or go online and download the newly revised honey loan program fact sheet at <http://www.fsa.usda.gov/pas/publications/facts/html/honey02.htm>.

## **Cooperative Marketing Associations**

Did you know that through the Farm Service Agency's Cooperative Marketing Association Program, marketing cooperatives can obtain marketing assistance loans and loan deficiency payments on behalf of their members?

The CMA program offers participants the

same marketing loan and LDP benefits provided to individual eligible producers. Marketing assistance loans and LDPs give cooperatives the financing to store harvested crop production rather than immediately selling the crop. Cooperatives can then market the commodity throughout the entire marketing season to obtain the highest market value. Obtaining loans and LDPs through cooperatives can provide individual producers more leverage for marketing a commodity.

Warehouse or farm-stored commodities eligible for the CMA program are the same as those eligible for nonrecourse and recourse marketing assistance loans and LDPs.

For more information, stop by the county office or go online and download the October 2002 Cooperative Marketing Association Program fact sheet at [www.fsa.usda.gov/pas/publications/facts/html/cma02.htm](http://www.fsa.usda.gov/pas/publications/facts/html/cma02.htm).

<b>Selected Interest Rates for November 2002</b>	
90-Day Treasury Bill	1.625 %
Farm Operating - Direct	3.50 %
Farm Ownership - Direct	5.50 %
Limited Resource	5.000 %
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000 %
Emergency	3.750 %
Farm Storage Facility	3.375 %
Commodity Loans 1996-Present	2.625 %

## **Administrative Offset**

Under the Debt Collection Improvement Act of 1996, delinquent debt owed to Federal agencies must be offset against any payments due from the Federal Government.

The Farm Service Agency is required to collect payments that otherwise would be made to producers or borrowers who owe the Commodity Credit Corporation, or delinquent direct farm loan program debt, unless the borrower can present an acceptable plan to resolve the delinquency.

FSA is also required to offset payments to

guaranteed farm loan program borrowers if a final loss claim has been paid on a loan. Payments subject to offset include program payments; tax refunds; and Social Security, including Social Security Disability.

FSA is committed to working with producers and borrowers to assist them in resolving any delinquency. If loan restructure isn't feasible, interest rates may be lowered or the debt may be written down under certain circumstances. If the borrower has accepted a written offer from FSA to restructure the account, payments will not be offset.

If the borrower presents an acceptable written plan that can be approved by FSA and will resolve the delinquency, the offset can be lifted. Guaranteed borrowers can submit an offer to settle their Federal debt after a final loss claim has been paid.

Dates to Remember	
Today	Report changes to farming operation.
Nov. 3	Deadline to sign up for Peanut Quota Buyout Program
Nov. 11	Veterans Day Holiday
Nov. 12	Deadline to apply for 2001 rice and grain LDPs
Nov. 18	Deadline to apply for 2001 upland cotton LDPs
Nov. 20	Deadline to apply for NAP for 2003 perennials
Nov. 28	Thanksgiving Holiday
Available at Harvest	2002 LDPs and Commodity Loans
On Going	MILC program sign up ends Sept. 30, 2005
On Going	Farm Storage Facility Loan Program
On Going	Conservation Reserve Program Continuous Signup

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call 202-720-5964 (voice or TDD).